

College Park Redevelopment Plan and Tax Allocation District

Progress Report to

College Park Mayor and City Council

March 16, 2015



Background

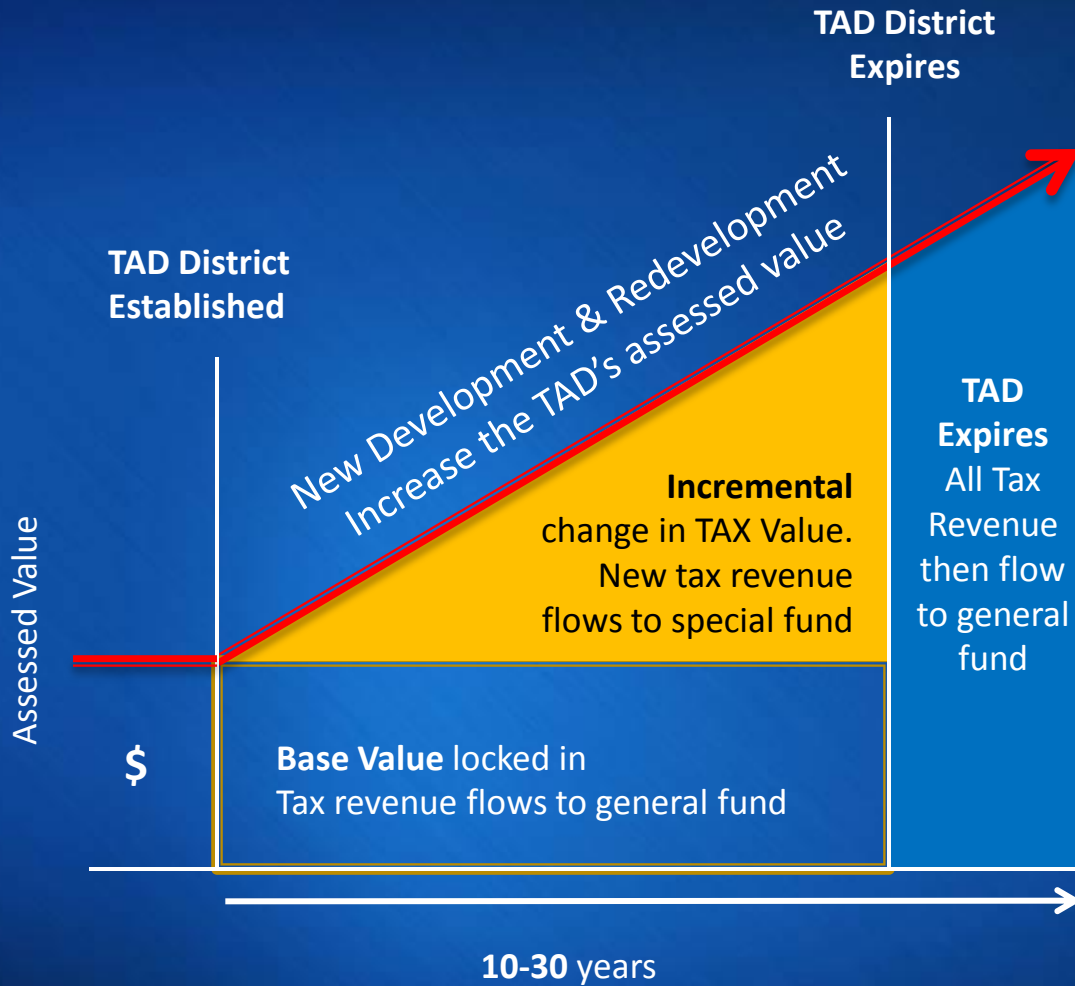
- In early February College Park retained Bleakly Advisory Group to assist the City in exploring options to create a Tax Allocation District to support implementation of the City's ongoing redevelopment efforts
- Identified City priorities:
 - Continue redevelopment and commercial expansion within Downtown College Park
 - Implement Transit Oriented Development around the MARTA Station
 - Invest in streetscape improvements and attract new commercial infill development along Main Street and Virginia Avenue
 - Attract new commercial/office development and jobs along Camp Creek Parkway and near the GICC
 - Upgrade aging, lower-valued apartment projects
- The primary focus is on identifying nearer term redevelopment opportunities and priorities for using TAD funds



What is a TAD?

- A Tax Allocation District (TAD) is a financing mechanism in Georgia that allows a community to “allocate” future taxes generated by new development within a defined area to pay for capital improvements to that area— rather than for general fund purposes
 - County and School District taxes can also be allocated IF those jurisdiction consent to participate in the TAD
 - TAD funds can be used for roads, infrastructure, parking structures and other public improvements to attract/support development or
 - To offer direct financial incentives to developers to lower development costs and help make projects financially feasible
- Creating a TAD does not directly impact existing taxpayers
 - Existing property owners within and outside the TAD are taxed in the same manner as if the TAD did not exist
 - General fund taxes from properties within the TAD continue to be collected at the level that existed when the TAD was created





Future property taxes paid by new development and future value growth within the TAD are allocated to a special fund to pay for eligible costs—i.e. increased tax revenue generated by the TAD is spent in the TAD.

TAD funds can be used to pay debt service, match other funding or spend on a pay-as-you-go basis.

No existing taxpayers are affected and no taxes are abated – revenue to repay costs comes from new taxes on new investment.

Only taxes on real estate are typically pledged in a TAD. Taxes on personal property, sales taxes, business licenses and other local government revenues are not affected

How does a TAD work?

The Study Process

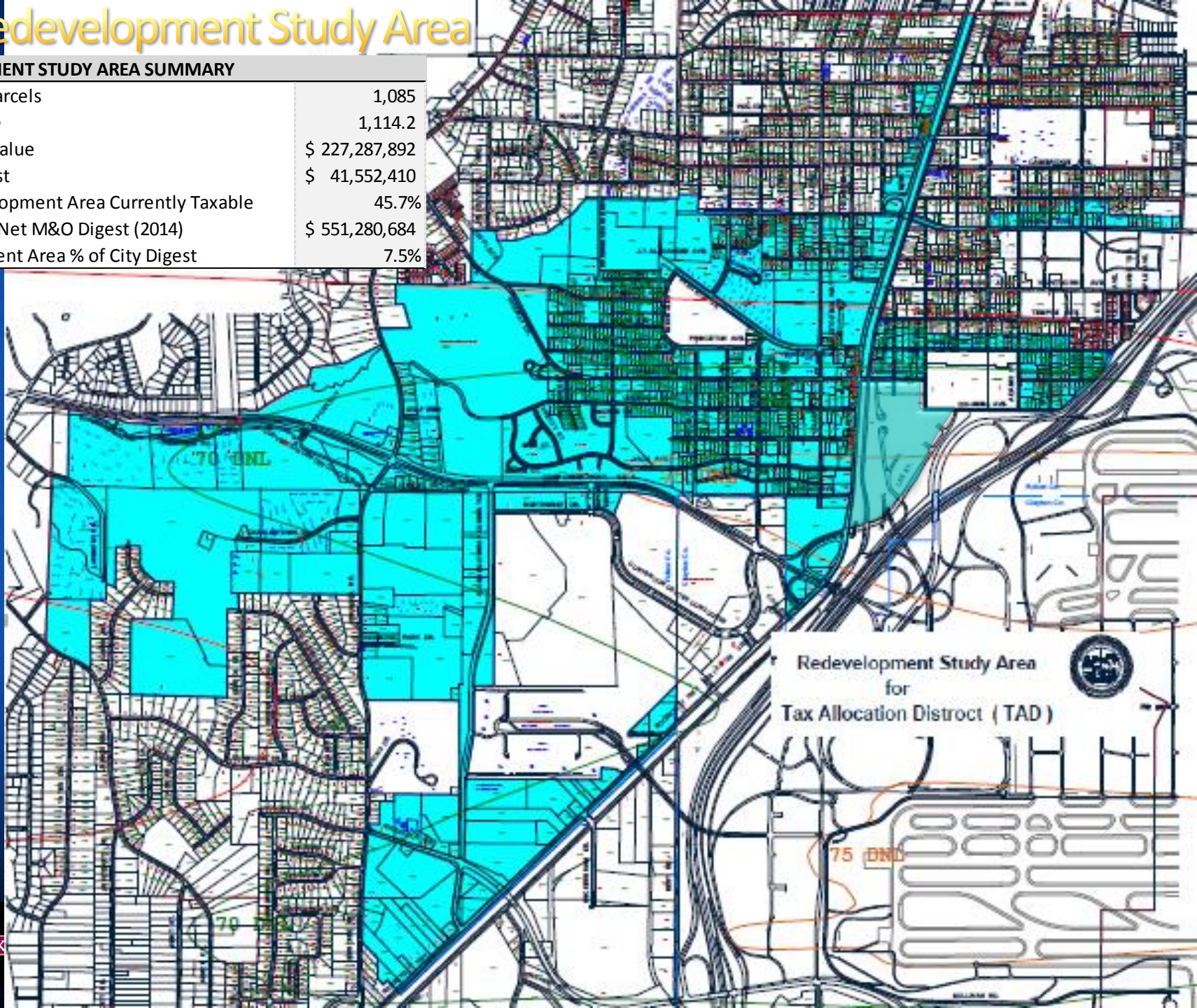
- Conduct an initial evaluation of multiple options to create one or more Tax Allocation Districts in College Park
 - Start with a large Redevelopment Study Area
 - Examine multiple locations and projects where TAD incentives could help to spur redevelopment
 - Estimate development potential and resulting tax digest and TAD proceeds
- Present initial findings and options at a community forum to seek public input
- Prepare a DRAFT Redevelopment Plan
- Work with the City Council through your process to review and vote on adoption of the Redevelopment Plan and create 1 or more TAD's
 - Present findings at public hearings required by State Law
- Assist the City in negotiating consent agreements with the County and School District
 - (Areas being evaluated for TAD are all located in Fulton County)



The Redevelopment Study Area

REDEVELOPMENT STUDY AREA SUMMARY

Number of Parcels	1,085
Total Acreage	1,114.2
Full Market Value	\$ 227,287,892
Taxable Digest	\$ 41,552,410
% of Redevelopment Area Currently Taxable	45.7%
College Park Net M&O Digest (2014)	\$ 551,280,684
Redevelopment Area % of City Digest	7.5%



Characteristics of the Redevelopment Study Area

- The Study Area has a high concentration of tax exempt property:
 - 658 parcels covering nearly 600 acres are tax exempt
 - 253 tax exempt acres are classified as “vacant” plus 26 acres as residential owned by College Park, BIDA or the City of Atlanta
 - Another 181 acres are used for active recreation or open space
 - A total of 78 acres are developed for government or school district uses
 - The balance is occupied by churches or other tax exempt entities
 - The availability of nearly 300 vacant acres under the City’s ownership and control would present a major opportunity – but/for Airport noise restrictions
- A key study challenge is to realistically evaluate development opportunities for City-controlled vacant land



Characteristics of the Redevelopment Study Area

- Taxable private property in the Study Area appears to be under-valued and under-developed:
 - 450 Study Area parcels covering nearly 528 acres are privately owned and taxable
 - 230 acres are classified as “vacant” with an average market value of only \$56,600/AC
 - 146 developed residential properties with an average market value of \$95,000/unit
 - 122 developed commercial properties with an average value of \$460,000 per parcel (average commercial parcel is roughly 1-acre)
 - The balance of 100 taxable acres is occupied by 29 apartment properties with an average market value of \$757,000/parcel

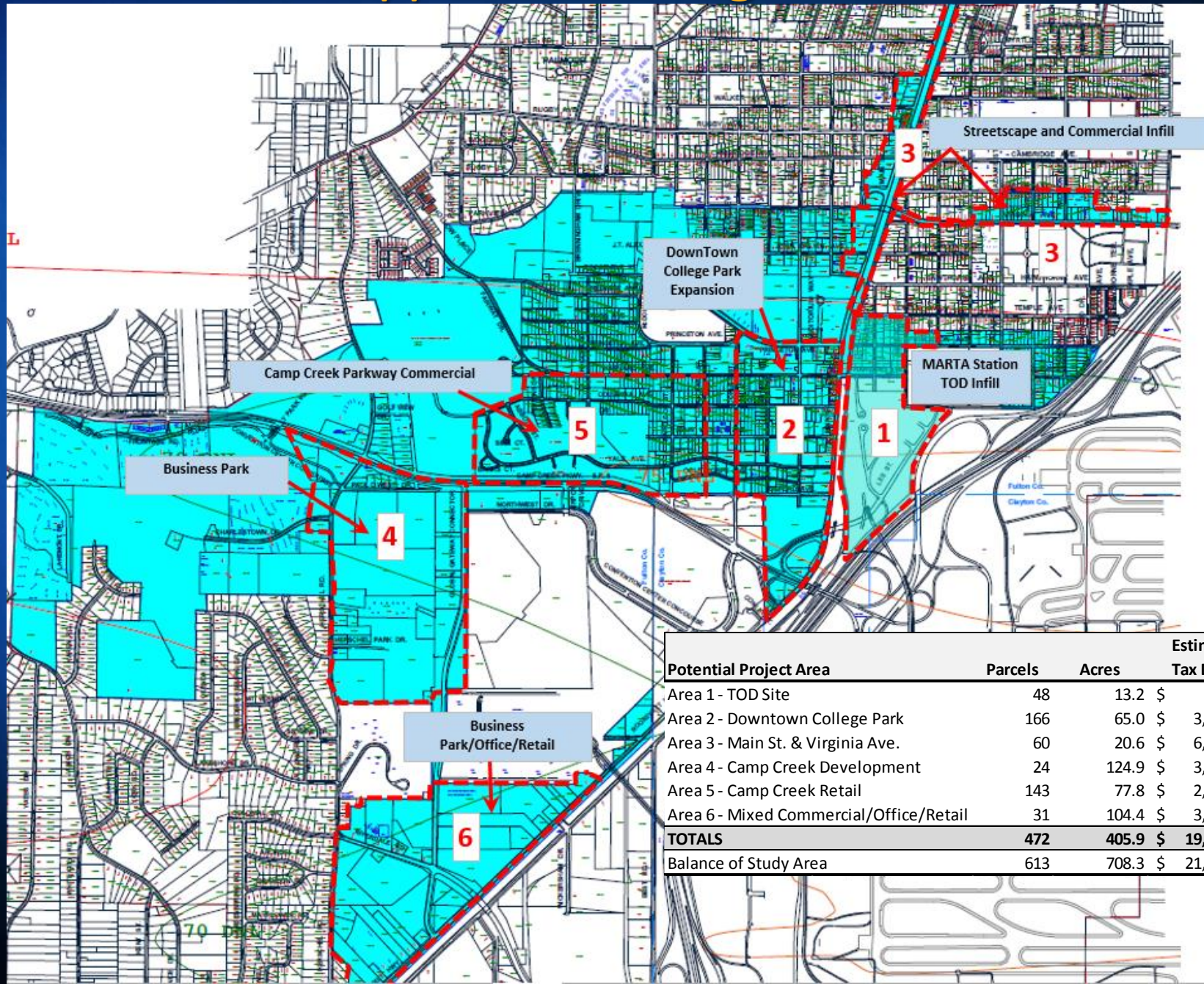


Do existing conditions justify a TAD?

- The impact of airport noise restrictions has resulted in a substantial reduction of the City's tax base
 - The base value of a potential TAD is likely to be nearing its lowest point
 - Airport noise restrictions constrain the redevelopment potential of these areas and add development complexity and cost
- The City has been actively planning for the redevelopment and expansion of its downtown core over the past several years – the TAD is an important tool to help implement that effort.
- The redevelopment area is substantially under-valued and falls far short of the City's vision as articulated in its long range plans.
 - The study area, which includes all of Downtown College Park and its major commercial corridors, covers 45% of the City's total acreage, but makes up less than 8% of its tax base
 - **This area of 1,100+ acres in the heart of College Park produced less than \$525,000 (\$471/acre) in total City real estate taxes in 2014**



Where are the opportunities to generate tax increments?



Potential Project Area	Parcels	Acres	Estimated Tax Digest	Tax Digest Value/AC
Area 1 - TOD Site	48	13.2	\$ 787,760	\$ 59,701
Area 2 - Downtown College Park	166	65.0	\$ 3,915,210	\$ 60,243
Area 3 - Main St. & Virginia Ave.	60	20.6	\$ 6,262,170	\$ 303,290
Area 4 - Camp Creek Development	24	124.9	\$ 3,260,720	\$ 26,101
Area 5 - Camp Creek Retail	143	77.8	\$ 2,090,120	\$ 26,867
Area 6 - Mixed Commercial/Office/Retail	31	104.4	\$ 3,606,650	\$ 34,551
TOTALS	472	405.9	\$ 19,922,630	\$ 49,078
Balance of Study Area	613	708.3	\$ 21,629,780	\$ 30,537

Questions?

